

EXHIBIT 1

INTRODUCTION

Respondent Retired Saratoga Volunteer Firemen, Inc. (“RSVF”) is a non-profit corporation located in the City of Saratoga, which raises money for community and social activities. In 2000, Respondent had about 20 members, all retired firefighters.

In 2000, during the first semi-annual campaign reporting period of January 1, 2000 through June 30, 2000, Respondent made a political contribution of \$20,000 to support the passage of a local ballot measure, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).¹ During the second semi-annual campaign reporting period of July 1, 2000 through December 31, 2000, Respondent made an additional \$30,491.05 in political contributions. As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required by the Act to file a semi-annual campaign statement, commonly known as a “major donor statement,” disclosing Respondent’s campaign activity during the reporting periods January 1, 2000 through June 30, 2000 and July 1, 2000 through December 31, 2000. Respondent committed two violations of the Act by failing to file those semi-annual campaign statements.

For the purposes of this stipulation, Respondent’s violations of the Act are stated as follows:

COUNT 1: Respondent Retired Saratoga Volunteer Firemen, Inc. failed to file a semi-annual campaign statement, by the July 31, 2000 due date, for the reporting period January 1, 2000 through June 30, 2000, in violation of section 84200, subdivision (b) of the Government Code.

COUNT 2: Respondent Retired Saratoga Volunteer Firemen, Inc. failed to file a semi-annual campaign statement, by the January 31, 2001 due date, for the reporting period July 1, 2000 through December 31, 2000, in violation of section 84200, subdivision (b) of the Government Code.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to or at the behest of candidates or committees. This type of committee is commonly referred to as a “major donor committee.”

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

SUMMARY OF THE FACTS

Respondent Retired Saratoga Volunteer Firemen, Inc. (“RSVF”) is a non-profit corporation located in the City of Saratoga, which raises money for community and social activities. In 2000, Respondent had about 20 members, all retired firefighters.

In 2000, Respondent made two contributions to the Committee for Yes on Measure F, a committee primarily formed to support Proposition F, a local ballot measure in the April 11, 2000 special election in the City of Saratoga. Proposition F was a bond measure placed on the ballot by the Saratoga Fire Protection District to raise funds to replace the aging fire station in the City of Saratoga. The bond measure passed with 88.8 percent of the vote.

COUNT 1

Failure to File a Semi-Annual Campaign Statement

On March 10, 2000, during the first semi-annual campaign reporting period January 1, 2000 through June 30, 2000, Respondent made a political contribution of \$20,000 to the Committee for Yes on Measure F, and thereby qualified as a “major donor committee” under the Act. As such, Respondent had a duty to file a semi-annual campaign statement, covering the reporting period January 1, 2000 through June 30, 2000, by July 31, 2000. Respondent failed to file a semi-annual campaign statement by the July 31, 2000 due date.

By failing to file a semi-annual campaign statement by the filing due date, Respondent violated section 84200, subdivision (b).

As a condition of this stipulation, Respondent was required to file a semi-annual campaign statement for the reporting period January 1, 2000 through June 30, 2000.

COUNT 2
Failure to File a Semi-Annual Campaign Statement

On October 27, 2000, during the second semi-annual campaign reporting period July 1, 2000 through December 31, 2000, Respondent made \$30,491.05 in political contributions to the Committee for Yes on Measure F to pay off its election debts. As such, Respondent had a duty to file a semi-annual campaign statement, covering the reporting period July 1, 2000 through December 31, 2000, by January 31, 2001.

By failing to file a semi-annual campaign statement by the filing due date, Respondent violated section 84200, subdivision (b).

As a condition of this stipulation, Respondent was required to file a semi-annual campaign statement for the reporting period July 1, 2000 through December 31, 2000.

CONCLUSION

This matter consists of two counts of violating the Act, which carries a maximum administrative penalty of \$7,000. Count 1 carries a maximum administrative penalty of Two Thousand Dollars (\$2,000.00), in that it occurred prior to January 1, 2001. Count 2 carries a maximum administrative penalty of Five Thousand Dollars (\$5,000.00), in that it occurred after that date.

A single count of failing to file a major donor statement, if handled through the Enforcement Division's Streamlined Major Donor Program, would ordinarily result in a \$400 - \$800 penalty. However, this matter was excluded from the streamlined program due to the total amount of the contributions that were not reported and due to the fact that no early resolution of the matter was obtained. The appropriate administrative penalty for cases removed from the streamlined program is determined on a case-by-case basis.

Regarding Count 1, for a violation occurring before January 1, 2001, the typical stipulated administrative penalty for the non-filing of a semi-annual statement not resolved through a streamlined program has historically ranged from \$500 - \$1,500 per statement. Regarding Count 2, for a violation occurring after January 1, 2001, the typical stipulated administrative penalty for the non-filing of a semi-annual statement not resolved through a streamlined program has historically ranged from \$1,500 - \$2,500 per statement.

In this case, Respondent's violations are somewhat aggravated, as the undisclosed contributions were substantial and the contributions were not disclosed by the recipient committee until eight months after the election. In mitigation, Respondent was a first-time major donor and did not receive notification from the recipient committee of its filing requirement. In addition, regarding Count 2, the contribution was made six months after the election to pay off election debt. Therefore, imposition of an administrative penalty in the lower to middle end of the administrative penalty range is appropriate. Accordingly, the facts of this case justify

imposition of the agreed upon penalty of One Thousand Dollars (\$1,000) for Count 1 and One Thousand Eight Hundred Dollars (\$1,800) for Count 2.

Accordingly, the facts of this case justify imposition of the agreed upon penalty of Two Thousand Eight Hundred Dollars (\$2,800).